

LOWER PAXTON TOWNSHIP  
PLANNING COMMISSION  
BUSINESS IMPROVEMENT DISTRICT  
WORKSHOP MEETING

October 25, 2010

**COMMISSIONERS PRESENT**

Fredrick Lighty  
Roy Newsome  
Douglas Grove  
Ernie Gingrich  
Dennis Guise  
Richard Beverly

**ALSO PRESENT**

Watson Fisher, SWAN Representative

**CALL TO ORDER**

Mr. Lighty called the workshop meeting of the Lower Paxton Township Planning Commission to order at 5:36 pm, on Monday, October 25, 2010 in Room 174 of the Lower Paxton Township Municipal Center, 425 Prince Street, Harrisburg, Pennsylvania.

**PLEDGE OF ALLEGIANCE TO THE FLAG**

Mr. Lighty led the recitation of the Pledge.

**COLONIAL CORRIDOR IMPROVEMENT DISTRICT**

**Preliminary Plan Map**

The Commission reviewed the updated maps of the Colonial Corridor Improvement District (CCID). Mr. Newsome suggested a location map would be helpful, and suggested it should show the whole Township, and highlight the CCID, emphasizing it is the heart of the Township. Mr. Lighty suggested it be an aerial photograph of the Township with the CCID highlighted, on 8.5x11 paper. Mr. Gingrich suggested a match line be added to the East and West maps, around Devonshire Road on each. Mr. Lighty suggested that if the match line cannot be added electronically, it could be hand drawn onto the maps when the Preliminary Plan is being assembled.

**Preliminary Plan Budget**

Mr. Grove stated that the Executive Director and Administrative Assistant were changed as discussed at the previous meeting. The printing and advertising changes discussed were also made. He added the cost for office setup and expenses, the reserve fund for traffic control and streetscape beautification, general fund, and overall reserve fund. The budget expenses equal the assessment amounts. Mr. Lighty stated the budget looks good, and asked Mr. Grove to email the budget to him in

Excel format. Mr. Lighty suggested lining up the major categories. Mr. Lighty suggested a layout that draws attention to the three improvement categories (as well as administration).

Mr. Newsome suggested a different word for advertising such as district promotion. He noted that printing and advertising is a part of promotion. He noted that promotion sounds more pro-active than printing and advertising. Mr. Guise suggested promotional activities. Mr. Lighty stated that in previous discussions, it has been referred to as marketing of the district. Mr. Grove agreed that marketing and promotion sounds good.

Mr. Newsome suggested putting a time frame in the budget title, such as “initial 12-month budget”, or “year 1 projected annual budget”, or “first year operating budget”, or “pro-forma”. Mr. Grove stated that calling it pro-forma tells the reader that it is an estimated budget. “Pro-forma annual budget for first year of operation”. Mr. Guise stated that the first year budget does not include any grants, which would be a part of the budget in subsequent years.

Mr. Newsome suggested taking out the mention of shutting down the district, the reserve fund will hold money for that, but it doesn’t need to be called out in the document.

### **Preliminary Plan Bylaws**

Mr. Guise asked about Atlantic City’s by-laws. Mr. Lighty stated they are in New Jersey, so they have differences, but their bylaws have some interesting points to consider. Mr. Guise stated that Atlantic City’s Purpose statement is more substantive, and more could be added to ours. Mr. Lighty suggested mentioning the three objectives in the purpose statement. Mr. Guise agreed, as long as they add a note “without limitation” so it doesn’t restrict too much. Mr. Lighty stated it would help to guide the future board to remember that these are the three areas to focus on.

Mr. Guise stated that in Article 2, the location would have to be filled in once it is known. Mr. Lighty stated it will initially be located at the Township Municipal Building. Mr. Newsome asked if the location is stated in the bylaws, would the bylaws have to be amended if the office is moved. Mr. Lighty suggested the words “without the Commonwealth” be stricken, so the office is not allowed to be located outside the state, or even an office outside Lower Paxton Township. The whole sentence can be taken out.

The Commissioners discussed the number of board members. Mr. Guise stated that the statute says minimum of 5 and not more than 9. Mr. Grove suggested a specific number of members. Mr. Guise did not think the bylaws should have to be changed if the number stays within 5-9. He suggested that the initial board of directors should consist of 7 members. Mr. Gingrich stated that there are a lot of businesses in the area, and a higher number of board members would provide each member a better chance to be involved.

Mr. Newsome asked who appoints the first board. Mr. Guise stated that since the Township is not creating an authority, it does not appoint the board members, but the statute is silent on the matter.

Mr. Gingrich stated that since the Planning Commission met with some of the business owners, it could suggest possible board members to the Board of Supervisors. Mr. Guise stated the board of directors does not come into existence until after the Township adopts the ordinance authorizing the filing of the articles of incorporation. Mr. Lighty didn't think it should name them by name, but should establish a number of board members, and where they come from. Mr. Guise suggested one has to be a property owner, one has to be a business owner, and one has to be from the municipality. Mr. Guise noted it is implied but not stated that the Board of Supervisors creates the initial board of directors, and he thinks that is correct.

Mr. Lighty suggested five members. Mr. Guise suggested seven members would be better. Mr. Grove noted that if it has seven, it can adjust in either direction as it feels necessary. Mr. Lighty noted that with a smaller group it is easier to get a consensus. Mr. Newsome stated there are a large number of vested interests, and that having a few more voices provides a better relief valve.

Mr. Lighty noted that it is interesting that New Jersey allows ex officio members, but the Pennsylvania statute is silent on the matter. Mr. Beverly asked what purpose they serve. Mr. Lighty stated it allows more people to come to the table and still has the small group make the decisions. New Jersey has seven ex officio and thirteen appointed members.

Mr. Guise stated the board should have seven members. Mr. Lighty asked if the Commission wanted any ex officio members. Mr. Guise stated the number still has to be between five and nine. Mr. Guise stated an ex officio member is a full-fledge member, but holds office by virtue of the fact that he holds another position. They can vote, and take part in other things, unless the bylaws say they can't. Mr. Lighty suggested one of the members should be a member of the Planning Commission. Mr. Newsome suggested seven members, plus two ex officio members, totaling nine. Mr. Guise suggested five plus two to make seven. Mr. Lighty agreed with the latter.

Mr. Grove stated that many property owners are out of the area, and they could send a representative. If the majority of the board members live out of town, it may be difficult to get a quorum for a board meeting.

Mr. Guise suggested the following: the board will consist of seven members, two of which will represent the municipality, one of whom shall be a member of the Board of Supervisors and the other of whom shall be a member of the Planning Commission. Mr. Newsome noted that having some membership by the municipality should strengthen the board. Mr. Guise noted it could say "selected by the chairman of the Board of Supervisors...selected by the chairman of the Planning Commission" and that would leave it open for the Supervisors, they could select one of themselves, or someone else. He suggested those members should be members of the Board of Supervisors and Planning Commission, not just selected by them.

Mr. Lighty asked if it would be appropriate to add wording that those positions cannot be eliminated. Mr. Guise stated it would be better in the ordinance, because the Township would have to amend the ordinance to make a change. The district has the authority to change its bylaws.

Mr. Guise suggested the bylaws should say there should be no less than bi-monthly meetings. Mr. Lighty agreed. Mr. Grove noted that way they could add meetings if they have to. Mr. Guise agreed and noted they may need more initially, but after that, they will not need to meet every month.

Mr. Lighty asked about staggering the terms of the directors. Mr. Grove suggested they should be staggered, then only half of the members' terms would be up at a time. Mr. Newsome asked Mr. Lighty why he thought they should not be staggered. Mr. Lighty stated that the district has a limited term unless renewed, so he thought it might be good to tie the terms of the directors to the term of the entity. He also noted he has experienced that good members of good boards tend to hang around, and there could be an issue if the board goes rogue and there will be difficulty getting back under control. He noted he didn't necessarily feel the terms shouldn't be staggered, but wanted to consider the issue.

Mr. Lighty noted that New Jersey covered the topic of removal from the board, and asked if that should be considered here, and under what circumstances a board member should be removed from the board. He stated he has seen it written that if there are more than two unexcused absences in a row from regular meetings a person can be removed.

Mr. Newsome stated it could be written that there could be one year terms with the potential to succeed themselves. Mr. Lighty stated that the shorter the term, the less important it is to have removal provisions. Mr. Guise stated it could say that they shall serve until their successor is named, that way no action is taken unless it is needed. Mr. Guise agreed that some members could start with a one year term and some with a two year term to set up the staggering process. Mr. Newsome suggested they all have one year terms. He also suggested it be tied to an annual meeting. If someone resigns the board can fill the position for the balance of the term until the annual meeting, or they could leave it vacant until the annual meeting. Mr. Newsome stated that would enhance the importance of the annual meeting as well. Mr. Gingrich stated he does not necessarily object to it, but it seems like a short term. He asked if the short term would have a negative impact, relating to their assignments or projects. Mr. Lighty stated he did not think that was an issue since the board would not be doing the day to day work, but that will be done by the executive director and staff.

Commissioners discussed requiring open or public meetings. Mr. Grove noted it can be left out of here, leaving the requirement to higher laws. Mr. Lighty agreed it shouldn't be regulated in this document.

Mr. Lighty asked about a committee structure. Mr. Newsome stated that New Jersey needed that since they had 20 members. This one will only have seven, and he noted that a board of seven, with four officers, just doesn't need an executive committee. Mr. Newsome suggested there could be committees for marketing, traffic, and beautification, and they have to be chaired by a board member. Mr. Guise agreed that is a good way to involve the others in the district.

Mr. Newsome suggested combining the secretary and treasurer offices.

Mr. Guise asked if the description of the executive director needs work. Mr. Lighty stated the one for Atlantic City is very good; it says he is the chief operating officer and chief administrative

officer. Mr. Guise agreed those should be listed. The president is the presiding officer of the corporation, but does not have any operational duties.

Mr. Lighty noted it should be added that the board members and the officers will serve without compensation. Mr. Guise suggested that reasonable expenses can be reimbursed for officers and directors for certain things, but not compensation.

Mr. Newsome asked about the number of offices, president, vice president, secretary, treasurer. Mr. Guise and Mr. Newsome agreed there could be three: president, vice president, and secretary/treasurer. Mr. Lighty noted that the financial duties of the treasurer should be taken care of by the executive director, but the treasurer should be given direct responsibility over the executive director.

Mr. Newsome suggested titles of chairman and vice chairman, instead of president and vice president, which seem to have operational duties.

Mr. Lighty asked if an audit needs to be mandated. Commissioners agreed there should be one. Mr. Lighty stated that if a full accounting firm audit is required, it will cost a lot of money every year, but having no audit is not an option. Mr. Newsome agreed, noting that a third of a million dollars is not insignificant.

The Planning Commission spoke with David Blain, Supervisor, via speaker phone about audits. Mr. Blain explained that the Township has an auditor, Zelenkofske Axelrod LLC, who audits the Township Funds, the Sewer Authority, and the Friendship Center. Mr. Guise asked if the Township pays for that. The Township is required by law to have an audit every year. Mr. Newsome asked if there is a less intense audit every year, and a full audit every several years. Mr. Blain suggested the Commission is looking for someone to review tax receipts and disbursements. He noted that the Township gets what's known as generally accepted accounting principles, meaning the audit is a review of the balance sheet, income statement, cash flows, and explains what is on the balance sheet and what it represents. He suggested that is more than what the Commissioners are looking for every year. It would need more of an agreed upon procedures arrangement, where the firm would review the cash receipts and disbursements, to make sure the money was appropriately deposited, and spent in accordance with the laws of the BID, and that certain expenditures were authorized. Mr. Newsome asked what to call that type of review. Mr. Blain stated it is a financial statement review.

Mr. Lighty asked if it would be appropriate to have the financial statement review every year, and the generally accepted principles audit every three years. Mr. Blain stated he did not think that the full audit would be necessary every three years, the BID would have much simpler books than a municipality. There should be basic cash in/cash out which could just be done annually. The accounting firm would compile the records annually. Every three years the BID could have a more extensive review, including a confirmation of bank accounts and tie out the cash receipts and disbursements to the check book register.

Mr. Blain offered to draft a description of the work discussed, and email it to Mr. Lighty. The Commissioners thanked Supervisor Blain for his help.

Mr. Guise stated he will add a fiscal affairs article to the bylaws. He noted that the statute describes the type of audit Mr. Blain was talking about, in Section 8.39. Mr. Lighty read that it will also have to be submitted to the State and Municipality.

Mr. Lighty asked about indemnification and liability. Mr. Guise thought there could be some liability, and asked if the corporation has liability insurance in the budget.

Mr. Newsome commented that he really enjoys working on the bylaws, and the overall activity in democracy, dealing with how people are represented and how they can participate in an ongoing organization.

#### **PUBLIC COMMENT**

There was no additional public comment.

#### **ADJOURNMENT**

The next Planning Commission workshop session regarding the Colonial Corridor Improvement District is scheduled for Monday, November 15, 2010, at 5:30 pm in Room 174 of the Municipal Center.

Being no further business, the meeting adjourned at 7:15 pm.

Respectfully Submitted,

Michelle Hiner  
Recording Secretary